

FOLLOW-UP REVIEW

CITY AUDITOR

Report Date:	December 21, 2016
Department:	Information Technology Department (ITD)
Subject:	Procurement and Inventory Management Processes
Lead Auditor:	Dawn von Epp

OBJECTIVE

The objective of this review was to determine whether ITD has effectively implemented the action plans presented in their response to our December 2015 audit of procurement and inventory management processes.

SCOPE & METHODOLOGY

To accomplish our objective, we reviewed training materials, validated asset tracking reports, and interviewed staff members and supervisors involved in the asset tracking process.

BACKGROUND

On December 8, 2015, we issued an audit report on ITD's procurement and inventory management processes. The objective of that audit was to evaluate the effectiveness of internal controls related to those processes. We found that internal controls were in place and operating effectively to provide reasonable assurance that IT assets are purchased, stored, deployed, and inventoried in accordance with City and departmental policies. However, we also identified some opportunities for improvement in the accuracy and completeness of chain of custody and location data recorded in the asset management system.

The audit report included the following two recommendations:

1. ITD staff members should comply with established procedures for documenting the chain of custody of assets removed from the Stockroom. This includes updating the final location after deployment.
2. ITD managers should actively monitor compliance with established procedures for updating SMART asset location information, both during and after deployment.

The department agreed with the recommendations and developed corrective action plans.

CONCLUSION

All corrective action plans associated with this audit have been successfully implemented. Additional details are presented in the attached Appendix.

APPENDIX

 = Implemented

 = In Progress

 = Not Implemented

<u>Corrective Action</u>	<u>Implementation Status</u>	
CAP#1: Accuracy and Completeness of SMART Records		
<p>Recommendation 1-1: ITD staff members should comply with established procedures for documenting the chain of custody of assets removed from the Stockroom. This includes updating the final location after deployment.</p> <p>Management Response: Re-train ITD deploy staff and their supervisors/managers on the procedures for asset check-out and location updates. Provide training in person and follow up with documentation in the Learning Center. Plan for refresher training every 6 months.</p>	<p>Implemented</p> <p>Training was delivered to deployment teams in February, March and May 2016.</p> <p>The department chose to use a SharePoint site, rather than the Learning Center, to maintain the training documents; but the result is the same. Also, refresher training is now done on an as-needed basis, rather than every 6 months.</p>	
<p>Recommendation 1-2: ITD managers should actively monitor compliance with established procedures for updating SMART asset location information, both during and after deployment.</p> <p>Management Response: Provide automated report to ITD Managers on a periodic basis (monthly) to identify records in which their reporting staff are listed in the location data field of the asset record; this report will be a means for managers to monitor their staff's compliance for updating asset location information. Stockroom staff will also conduct periodic compliance reviews via same report and escalate discrepancies to their supervisor for follow up action.</p>	<p>Implemented</p> <p>Automated reports were developed and are now emailed weekly to supervisors, deployment team managers, and Stockroom staff.</p>	